



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1296

DATE: October 30, 2013

TO: Iowa Medicaid Physician Psychiatrists, Psychologists, and Community Mental Health Centers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Use of the “U4” Modifier for Intellectual Disability (ID) Testing and Pre-Procedure Psychological Evaluation

EFFECTIVE: Immediately

This letter replaces Informational Letter No. [714](#) issued on May 22, 2008, which instructed providers to use the Current Procedural Terminology (CPT) 90801 and 90802 with modifier “U4” for required pre-procedure evaluations. Effective for dates of service January 1, 2013, these codes were no longer covered by Iowa Medicaid. Code 90791 should be used on and after January 1, 2013 instead. The modifier “U4” should continue to be used with the new code.

ID Testing

The IME pays for Medicaid members to have psychological testing when such testing is needed to determine eligibility for Iowa Medicaid Home and Community Based Services (HCBS) ID waiver services. If the patient is not Medicaid eligible at the time that services are rendered, the patient and/or guardian must be advised that they may be liable for the charges if the patient is determined to not be Medicaid eligible.

To bill for a patient determined to be Iowa Medicaid eligible, a special “U4” modifier must be used in conjunction with the CPT code. It is important to note that the IME will pay for the testing and/or evaluation even if it results in a diagnosis other than intellectual disability. These services *should not* be billed to Magellan if the intent is to diagnose intellectual disability.

Valid CPT codes for billing this psychological testing and/or evaluation are as follows:

CPT Code	1 Unit =
96101, 96102, 96105, 96116	1 hour
96103, 96110, 96111	1 encounter

Required Pre-Procedure Evaluations

Iowa Medicaid also pays for psychological evaluations and psychological testing required as part of pre-procedure review for major medical procedures such as organ transplants and

gastric bypass surgeries. The “U4” modifier must be used to indicate that the psychological evaluation was a requirement of the state.

Valid CPT code for billing psychological evaluations is as follows:

CPT Code	1 Unit =
90791	1 encounter

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.

Please refer to the Frequently Asked Questions (FAQ) shown below.

“U4” Modifier FAQ

1: What if the service is performed in anticipation that the member will become Medicaid eligible, however the diagnosis results in the patient being denied Medicaid eligibility, who will pay for the testing or evaluation that I provided?

If the patient is determined to not be Medicaid eligible for the date of service, the patient is responsible for paying the bill.

2: What if I am evaluating a person that is eligible for Magellan for the purpose of determining if there is a mental illness and the diagnosis turns out to be intellectual disability, will I bill the IME for this service?

No. If the intent of the testing or evaluation is to diagnose or treat a mental illness, Magellan should be billed.

3: What if we are testing the patient anticipating that the diagnosis will be ID, however, no ID diagnosis is found, who will pay the bill?

If the patient is Medicaid eligible for the date of service, you will bill IME using a payable CPT code (96101-96103, 96105, 96110-96111, or 96116) and the “U4” modifier.

4: Is the “U4” modifier only valid when billing for the ID waiver testing and evaluations?

No. There are a handful of other situations when the “U4” modifier would be appropriate. The “U4” modifier means that the service that is being billed is required by the state for the purpose of determining eligibility for:

- Medicaid coverage.
- Waiver or case management services.
- Review for approval for a major medical procedure. (Example: organ transplant, gastric bypass).